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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended:
March 31, 1992

SEC 92-2232

Commission file number 0-19711

The Spectranetics Corporation

(Exact name of Registrant as specified in its charter)

Delaware	84-0997049
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

96 Talamine Court
Colorado Springs, Colorado 80907
(719) 633-8333
(Address of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ____

As of April 24, 1992, there were 9,726,448 outstanding shares of Common Stock.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

THE SPECTRANETICS CORPORATION

Condensed Balance Sheets (Unaudited)
(In Thousands, Except Shares)

March 31, 1992 and December 31, 1991

Assets	March 31, 1992	December 31, 1991
Current assets:		
Cash and cash equivalents	$ 15,107	3,015
Short-term investments	20,459	759
Accounts receivable:		
Trade	270	458
Medtronic	84	374
Inventories (note 3)	2,716	2,134
Prepaid expenses	322	97
Deferred offering costs	0	375
Total current assets	38,958	7,212
Net property and equipment	1,961	1,591
Other assets	101	101
	$ 41,020	8,904
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,000	2,666
Current portion of capital lease obligations	226	182
Total current liabilities	2,226	2,848
Capital Lease Obligations, excluding current portion	304	264
Total liabilities	2,530	3,112
Stockholders' equity:		
Common stock, $ '01 par value, Authorized 100,000,000 shares; issued and outstanding 9,677,570 and 6,637,474 shares	10	7
Additional paid-in capital	65,290	28,862
Accumulated deficit	(26,810)	(23,077)
Total stockholders' equity	38,490	5,792
	$ 41,020	8,904

See accompanying notes to condensed financial statements.

THE SPECTRANETICS CORPORATION

Condensed Statements of Operations (Unaudited)
(In Thousands, Except Per Share Data)

For the Three Months Ended March 31, 1992 and 1991

	Three Months Ended March 31,	
	1992	1991
Sales:		
Trade	$ 324	784
Medtronic	294	288
	618	1,072
Costs and operating expenses:		
Cost of sales:		
Trade	704	524
Medtronic	500	56
	1,264	580
Research and development expense	1,648	1,212
General and administrative expense	799	540
Marketing and sales expense	889	459
Total costs and operating expenses	4,600	2,791
Loss from operations	(3,982)	(1,719)
Other income (expense):		
Interest income	260	48
Interest expense	(13)	0
Other, net	2	4
	249	52
Net loss	$ (3,733)	(1,667)
Loss per share (note 2)	$ (0.41)	(0.30)

See accompanying notes to condensed financial statements.

THE SPECTRANETICS CORPORATION

Condensed Statements of Cash Flows (Unaudited)
(In Thousands)

For the Three Months Ended March 31, 1992 and 1991

	Three Months Ended March 31,	
	1992	1991
Cash flows from operating activities:		
Net loss	$ (3,733)	(1,667)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation & amortization	343	7
Net changes in operating assets and liabilities	(995)	(261)
Net cash used in operating activities	(4,385)	(1,921)
Cash used in investing activities:		
Capital expenditures	(396)	(146)
Net purchase of short-term investments	(19,700)	0
Net cash used in investing activities	(20,096)	(146)
Cash flows from financing activities:		
Net proceeds from issuance of common stock	35,988	5
Proceeds from exercise of warrants	638	--
Principal payments on obligations under capital leases	(48)	--
Cash payout in lieu of partial shares	(5)	--
Net cash provided by financing activities	36,573	5
Net increase (decrease) in cash and cash equivalents	12,092	(2,062)
Cash and cash equivalents at beginning of period	3,015	4,847
Cash and cash equivalents at end of period	$ 15,107	2,785
Supplemental disclosures of cash flow information - cash paid for interest	$ 13	--
Supplemental disclosure of noncash investing and financing activities:		
Capital lease obligations	$ 132	--

See accompanying notes to condensed financial statements.

THE SPECTRANETICS CORPORATION

Notes to Condensed Financial Statements (Unaudited)

March 31, 1992 and December 31, 1991

(1) General

The information included in the accompanying condensed interim financial statements is unaudited and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's latest Annual Report on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

(2) Loss Per Share

The loss per common share does not reflect the assumed exercise of stock options, since the effect of such inclusion would be antidilutive. The weighted average number of shares for purposes of computing loss per share was 8,996,717 and 5,602,049 for the three months ended March 31, 1992 and 1991, respectively. The weighted average number of shares outstanding gives retroactive effect to a 1 for 2.4 stock split effected in December 1991, and the conversion of preferred stock into common stock on January 28, 1992.

(3) Inventories

Components of inventories are as follows (in thousands):

	March 31, 1992	December 31, 1991
Finished Goods	$ 671	$ 838
Work in process	1,540	724
Raw Materials	505	572
	$ 2,716	$ 2,134

(4) Contingencies

On November 26, 1991, the Circulatory System Devices Panel (the "Advisory Panel") to the Food and Drug Administration (the "FDA") recommended that the FDA approve the Company's CVX-300™ laser and two sizes of catheters. On March 20, 1992, the Center for Devices and Radiological Health of the FDA concurred with the Advisory Panel's recommendation to approve the CVX-300™ laser and two sizes of catheters subject to the revision of certain labeling requirements. Final approval by the FDA of the Company's premarket approval application ("PMA") for the CVX-300™ laser and these catheters is required prior to commercial sale of the Company's products in the United States. There can be no assurance that the FDA will accept the Advisory Panel's recommendation and approve the Company's PMA.

The Company is aware of certain patents covering basic areas of laser technology which may be infringed by the Company's products. In such instances the Company has accrued in the accompanying financial statements royalty expense which it estimates will be payable on production through March 31, 1992. The Company has obtained a nonexclusive royalty-bearing license on one of these patents. The Company has received letters from other parties regarding certain patents which management believes are not infringed by the Company, based upon advice of patent counsel.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations:

Sales for the three months ended March 31, 1992, were down 42% from the corresponding period in the prior year. Net loss for the three months ended March 31, 1992, was $3.7 million verses $1.7 million for the corresponding period in the previous year. Until the Company receives approval from the Food and Drug Administration (FDA) to begin commercial sales of its products, revenue opportunities for the Company have been and will be limited to sales of catheters to existing sites, sales of laser systems in Europe and to several additional approved clinical sites. Management anticipates the Company will continue to experience these losses until after the Company receives FDA approval and is able to actively market its laser systems and catheters for a period of time. Since there is no assurance that the Company will receive FDA approval, future revenue performance is unpredictable.

The gross profit percentage for the three months ended March 31, 1992, was a negative 105% compared to a positive gross margin of 46% for the three months ended March 31, 1991. The decrease in gross margin reflects increases in production capacity placed in-service in anticipation of FDA approval and higher production volumes. The Company has increased its production capacity in excess of its current requirements. This excess capacity is being expensed on a current basis resulting in a negative gross margin.

Operating expenses for the three months ended March 31, 1992, were 51% higher than the corresponding period in the prior year. This increase was primarily due to increases in marketing and sales staff in anticipation of receiving final FDA approval, increased research and development expenses, deferred compensation charges for 1991 employee stock options and severance payments for an officer who resigned during the period.

Interest income for the three months ended March 31, 1992, was higher than the three months ended March 31, 1991. This increase reflects the investment of the proceeds from the initial public offering in cash equivalents and short term investments. Interest expense for the current three months is due to the capitalization of financing leases.

Liquidity and Capital Resources

The Company completed an initial public offering on January 28, 1992, resulting in net proceeds to the Company of approximately $35.6 million. The Company has invested the proceeds from the public offering in short term, interest-bearing securities. The Company believes that as a result of its initial public offering, its liquidity and capitalization will be sufficient to meet the Company's operating expenses and capital requirements through mid-1993. In the event of delay in the receipt of FDA approval or failure to receive it, the Company may need to seek additional financing which may not be available on favorable terms or at all.

PART II. OTHER INFORMATION

Items 1-5. ***Not Applicable***

Item 6. ***Exhibits and Reports on Form 8-K***

(a) Exhibits:

None

(b) Reports on Form 8-K:

No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Spectranetics Corporation
(Registrant)

May 13, 1992 By _____
Robert J. DePasqua
President and Chief Executive Officer

May 13, 1992 By _____
George H.M. Rountree
Vice President, Chief Financial Officer and Treasurer